

**MENTION**

Dénomination / Raison Sociale: **Microsoft MOPR Holdings Luxembourg S.à r.l.**

Siège Social: **23-29, Rives de Clausen, L-2165 Luxembourg**

Numéro d'immatriculation au registre de commerce et des sociétés : **B 168.610**

Les comptes annuels au **30 juin 2015** ont été enregistrés au registre de commerce et des sociétés.

Pour mention aux fins de publication au Mémorial, Recueil des Sociétés et Associations.

Un mandataire

## ABRIDGED BALANCE SHEET

Financial year from <sup>01</sup> 01/07/2014 to <sup>02</sup> 30/06/2015 (in <sup>03</sup> USD )

Microsoft MOPR Holdings Luxembourg S.à r.l.

23-29, Rives de Clausen

L-2165 Luxembourg

## ASSETS

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101	0,00	0,00
I. Subscribed capital not called	1103		
II. Subscribed capital called but unpaid	1105		
<b>B. Formation expenses</b>	1107		
<b>C. Fixed assets</b>	1109	69.999.285.915,33	65.373.810.327,16
I. Intangible fixed assets	1111		
II. Tangible fixed assets	1125		
III. Financial fixed assets	1135 3	69.999.285.915,33	65.373.810.327,16
<b>D. Current assets</b>	1151	9.712.525,82	10.173.950,80
I. Inventories	1153		
II. Debtors	1163	8.843.544,69	9.865.792,94
a) becoming due and payable within one year	1203 4	8.843.544,69	9.865.792,94
b) becoming due and payable after more than one year	1205		
III. Transferable securities and other financial instruments	1189		
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197	868.981,13	308.157,86
<b>E. Prepayments</b>	1199		
<b>TOTAL (ASSETS)</b>		70.008.998.441,15	65.383.984.277,96

RCSL Nr. : B168610

Matricule : 2012 2415 288

**LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>5.1</u>	301 <u>77.048.342,73</u>	302 <u>74.363.273,94</u>
I. Subscribed capital	1303 <u>5.2</u>	303 <u>25.001,00</u>	304 <u>25.001,00</u>
II. Share premium and similar premiums	1305 _____	305 <u>70.793.719,00</u>	306 <u>70.793.719,00</u>
III. Revaluation reserves	1307 _____	307 _____	308 _____
IV. Reserves	1309 <u>5.3</u>	309 <u>1.749.034,37</u>	310 <u>2.500,00</u>
V. Profit or loss brought forward	1319 _____	319 <u>1.795.519,57</u>	320 <u>1.588.621,18</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>2.685.068,79</u>	322 <u>1.953.432,76</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
IX. Temporarily not taxable capital gains	1327 _____	327 _____	328 _____
<b>B. Subordinated debts</b>	1329 <u>6</u>	329 <u>67.351.707.138,91</u>	330 <u>65.308.353.603,45</u>
a) becoming due and payable within one year	1425 _____	425 <u>4.620.780.858,91</u>	426 <u>2.577.427.323,45</u>
b) becoming due and payable after more than one year	1427 _____	427 <u>62.730.926.280,00</u>	428 <u>62.730.926.280,00</u>
<b>C. Provisions</b>	1331 <u>7</u>	331 <u>2.815.179,56</u>	332 <u>1.245.535,35</u>
<b>D. Non subordinated debts</b>	1339 _____	339 <u>2.577.427.779,95</u>	340 <u>21.865,22</u>
a) becoming due and payable within one year	1407 _____	407 <u>456,50</u>	408 <u>21.865,22</u>
b) becoming due and payable after more than one year	1409 <u>8</u>	409 <u>2.577.427.323,45</u>	410 _____
<b>E. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (LIABILITIES)</b>		405 <u>70.008.998.441,15</u>	406 <u>65.383.984.277,96</u>

**Microsoft MOPR Holdings Luxembourg S.à r.l.**

Notes to the abridged annual accounts  
for the financial year ended June 30, 2015

## **1 General information**

Microsoft MOPR Holdings Luxembourg S.à r.l. (hereafter “the Company”) is a Luxembourg company incorporated on April 26, 2012, as a “société à responsabilité limitée” and subject to the general company law of Luxembourg.

The Company is established for an unlimited period.

The registered office of the Company is at 23-29, Rives de Clausen, L-2165 Luxembourg.

The Company is registered with the Register of Commerce and Companies of Luxembourg under the section B number 168.610.

The object of the Company is the acquisition, holding and disposal of interests in Luxembourg and/or in foreign companies and undertakings, as well as the administration, development and management of such interests.

The Company may provide loans and financing in any other kind or form or grant guarantees or security in any other kind or form, in favour of the companies and undertakings forming part of the group of which the Company is a member.

The Company may invest in, acquire through contributions, firm purchases, options or in any other way, manage, develop and hold patents, copyrights, trademarks, licenses and any other form of intellectual property rights, to license the right to use them, to sell or dispose of the same, in whole or in part, for such consideration as the Company may think fit, and to subcontract the management and development of intellectual property rights.

The Company may also invest in, acquire, manage and dispose of real estate or any other movable or immovable assets in any kind or form.

The Company may borrow in any kind or form and privately issue bonds, notes or any other debt instruments as well as warrants or other share subscription rights.

In a general fashion, the Company may carry out any commercial, industrial or financial operation, which it may deem useful in the accomplishment and development of its purposes.

The accounting year of the Company begins on the first day of July of each year and terminates on the last day of June of the following year.

Based on the article 316 of the Luxembourg law of August 10, 1915 as subsequently modified, the Company is exempt from the obligation to draw up consolidated accounts and a consolidated management report for the financial year ended June 30, 2015. Therefore, in accordance with the legal provisions, these abridged annual accounts were presented on a non-consolidated basis for the approval of the sole shareholder during the Annual General Meeting.

The Company's accounts are included in the consolidated financial statements of the parent company Microsoft Corporation, a company organized under the laws of the United States of America. The consolidated accounts are available at its office located One Microsoft Way, Redmond, WA 98052-6399, United States of America.

**Microsoft MOPR Holdings Luxembourg S.à r.l.**

Notes to the abridged annual accounts  
for the financial year ended June 30, 2015  
(continued)

## **2 Significant accounting policies**

### **2.1 Basis of presentation**

The abridged annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the modified law of December 19, 2002, determined and applied by the Board of Managers of the Company.

The abridged annual accounts are prepared on the basis of an abridged scheme applicable to small companies, and in accordance with article 79-(2) of the Luxembourg Law on the register of commerce and companies and the accounting and annual accounts of undertakings.

In addition to these abridged annual accounts, the Company also filed its approved annual accounts according to article 79-(1) of the Luxembourg Law on the register of commerce and companies and the accounting and annual accounts of undertakings.

The preparation of abridged annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers of the Company to exercise its judgement in the process of applying the accounting policies. Changes in assumption may have a significant impact on the abridged annual accounts in the period in which the assumptions changed. The Board of Managers believes that the underlying assumptions are appropriate and that the abridged annual accounts therefore present the financial position and results fairly.

The Board of Managers of the Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The abridged annual accounts have been prepared in accordance with the valuation rules and accounting policies described below.

### **2.2 Basis of conversion for items originally expressed in foreign currency**

#### *Currency of the accounts*

The Company maintains its accounting records in US dollars ("USD") and the balance sheet and the profit and loss account are expressed in this currency.

#### *Initial measurement of items originally expressed in foreign currency*

All transactions denominated in foreign currencies are translated separately into USD at the exchange rates ruling at the date of transaction.

## Microsoft MOPR Holdings Luxembourg S.à r.l.

Notes to the abridged annual accounts  
for the financial year ended June 30, 2015  
(continued)

## 2.2 Basis of conversion for items originally expressed in foreign currency (continued)

### *Measurement of fixed assets at balance sheet date*

Fixed assets, with the exception of certain long term loans disclosed under fixed assets, which are expressed in currencies other than USD, are translated into USD at the exchange rate effective at the date of the transaction. At balance sheet date, these assets remain translated at historical exchange rates.

### *Measurement of cash at balance sheet date*

At balance sheet date, cash denominated in a currency other than USD is converted at the exchange rate effective at balance sheet date.

Exchange losses and gains resulting from this conversion are recorded in the profit and loss account of the year.

### *Measurement of assets and liabilities under an economic link at balance sheet date*

For assets, including certain long term loans disclosed under fixed assets, and liabilities expressed in currencies other than USD where there is an economic link between an asset and a liability, these are converted in total at the exchange rate effective at balance sheet date.

Net unrealized losses arising from this conversion are recorded in the profit and loss account of the period.

Net unrealized gains arising from this conversion are recorded as deferred income in the balance sheet of the period until their reversal or their realization.

### *Measurement of all other assets at balance sheet date*

All other assets, including certain long term loans disclosed under fixed assets, expressed in currencies other than USD are valued individually at the lower of their value translated into USD at historical exchange rates or at exchange rates prevailing at balance sheet date.

Unrealized exchange losses resulting from this conversion are recorded in the profit and loss account of the year.

### *Measurement of all other liabilities at balance sheet date*

All other liabilities expressed in currencies other than USD are valued individually at the higher of their value translated into USD at historical exchange rates or at the exchange rates prevailing at balance sheet date.

Unrealized exchange losses resulting from this conversion are recorded in the profit and loss account of the year.

### *Recognition of realized exchange gains and losses*

Realized exchange gains and losses are reflected in the profit and loss account of the year.

**Microsoft MOPR Holdings Luxembourg S.à r.l.**

Notes to the abridged annual accounts  
for the financial year ended June 30, 2015  
(continued)

**2.3 Formation expenses**

The formation expenses of the Company are directly charged to the profit and loss account of the year during which they are incurred.

**2.4 Financial fixed assets**

Shares in affiliated undertakings are valued at the amount corresponding to the proportion of the capital and reserves of these undertakings, according to the application of the equity method.

At the date of acquisition, shares in affiliated undertakings are recorded at cost. The difference between the proportion of capital and reserves and the cost corresponds to the goodwill acquired by the Company.

The subsidiary prepares its financial statements according to United States Accounting Standards ("US GAAP"). The equity method is applied based on these financial statements.

Annually, the proportion of the net profit or loss attributable to the shares in affiliated undertakings is recorded in the profit or loss account on a separate line item. A reserve unavailable for distribution is booked in equity for the portion of the result above the amount of dividends already received or the payment of which can be claimed. The initial goodwill is amortized on a straight line basis over a period of ten years. The amortization charge is recorded in the profit or loss account under the same caption as the effect of the equity method for the year.

**2.5 Debtors**

Debtors are initially valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

**2.6 Provisions**

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

**2.7 Debts**

Debts are recorded at their reimbursement value.

Debts are recorded under subordinated debts when their status is subordinated to unsecured debts.

**Microsoft MOPR Holdings Luxembourg S.à r.l.**

Notes to the abridged annual accounts  
for the financial year ended June 30, 2015  
(continued)

**3 Financial fixed assets**

On August 9, 2012, the Company acquired 99.99% of the shares in Microsoft Operations Puerto Rico LLC ("MOPR") representing 100% of the economic rights for an amount of USD 62,793,720,000.00 in exchange of a Profit Participating Loan for an amount of USD 62,730,926,280.00 (*Note 6*) and a share premium for an amount of USD 62,793,720.00.

The initial goodwill at acquisition date amounted USD 42,147,254,237.19. The net book value of this goodwill is USD 29,953,418,490.76 as at June 30, 2015 (June 30, 2014: USD 34,168,143,914.48)

As per the application of the equity method and taking into account the amortization charge of the goodwill for the financial year 2015, plus an adjustment resulting from a change in MOPR's accounting figures as at June 30, 2014, the book value of the shares in MOPR amounts USD 69,999,285,915.33 as at June 30, 2015 (June 30, 2014: USD 65,373,810,327.16).

Details relating to undertakings in which the Company holds at least 20% in their share capital are as follows:

<b>Name</b>	<b>Registered office</b>	<b>Percentage of ownership</b>	<b>Last balance sheet date</b>
Microsoft Operations Puerto Rico, LLC	Porto Rico	99.99%	30/06/2015

**4 Debtors becoming due and payable after less than one year**

This caption corresponds to cash allocated by the Company to an affiliate pursuant to a netting and cash pooling participation agreement as well as to advances paid to tax authorities.



## Microsoft MOPR Holdings Luxembourg S.à r.l.

Notes to the abridged annual accounts  
for the financial year ended June 30, 2015  
(continued)

## 5 Capital and reserves

### 5.1 Changes in capital and reserves

Changes in capital and reserves for the financial year ended June 30, 2015 are as follows:

	Subscribed capital	Share premium and similar premiums	Reserves (Legal reserve and special reserve)	Profit or loss brought forward	Profit or loss for the financial year	Total capital and reserves
	(USD)	(USD)	(USD)	(USD)	(USD)	(USD)
Balance as at June 30, 2014	25,001.00	70,793,719.00	2,500.00	1,588,621.18	1,953,432.76	74,363,273.94
Allocation of the result for prior financial year	-	-	1,746,534.37	206,898.39	(1,953,432.76)	-
Result for the financial year 2014	-	-	-	-	2,685,068.79	2,685,068.79
Balance as at June 30, 2015	<u>25,001.00</u>	<u>70,793,719.00</u>	<u>1,749,034.37</u>	<u>1,795,519.57</u>	<u>2,685,068.79</u>	<u>77,048,342.73</u>

### 5.2 Subscribed capital

As at June 30, 2015, the share capital of the Company is composed of 25,001 shares with a par value of USD 1 each. The share capital is fully subscribed and paid up at the balance sheet date.

### 5.3 Legal reserve

Under Luxembourg law, 5% of the net profit of the financial year, net of any accumulated losses brought forward, must be allocated to a legal reserve until such reserve equals 10% of the issued subscribed capital. This reserve is not available for dividend distribution.

## Microsoft MOPR Holdings Luxembourg S.à r.l.

Notes to the abridged annual accounts  
for the financial year ended June 30, 2015  
(continued)

## 6 Subordinated debts

This caption corresponds to a Profit Participating Loan (“PPL”) granted by the sole shareholder for an amount of USD 62,730,926,280.00 (*Note 3*), together with accrued unpaid interest thereon. The maturity date of the PPL is set at August 31, 2062.

The PPL does not bear a fixed interest but only a variable interest deriving from the performance of the Company’s investment in MOPR.

## 7 Non Subordinated debts

During the financial year ended June 30, 2015, the accrued variable interest on PPL as at June 30, 2014 and amounting to USD 2,577,427,323.45 has been converted into an Interest Free Loan payable to the sole shareholder of the Company.

The maturity date is set at September 26, 2019.

## 8 Maturity of debts

	Due within one year (USD)	Due after more than one year and within five years (USD)	Due after more than five years (USD)	Balance as at June 30, 2015 (USD)	Balance as at June 30, 2014 (USD)
Subordinated debts	4,620,780,858.91	-	62,730,926,280.00	67,351,707,138.91	65,308,353,603.45
Non subordinated debts	456.50	2,577,427,323.45	-	2,577,427,779.95	21,865.22
<b>TOTAL</b>	<b>4,620,781,315.41</b>	<b>-</b>	<b>62,730,926,280.00</b>	<b>69,929,134,918.86</b>	<b>65,308,375,468.67</b>

## 9 Provisions

This caption corresponds to the estimate of general expenses related to the financial year ended June 30, 2015 for which the Company has not yet received any invoice, as well as to the provisions for Luxembourg taxes for which the Company has not yet received the corresponding tax assessments.

Microsoft MOPR Holdings Luxembourg S.à r.l.

Société à Responsabilité Limitée

Registered office: 23-29, Rives de Clausen, L-2165 Luxembourg

RCS Luxembourg : B 168.610

Share capital : USD 25,001.-

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- **Allocation of the result for the financial year ending June 30, 2015:**

<b><u>Result for the financial year:</u></b> <ul style="list-style-type: none"><li>• Profit for the financial year</li></ul>	USD 2,685,068.79
<b><u>Allocation of the result:</u></b> <ul style="list-style-type: none"><li>• Allocation to Profit or Loss brought forward</li></ul>	USD 2,685,068.79

This allocation of result is based on the proposal of the Board of Managers

- **Composition of the Board of Managers:**

- Lauri Paal, manager, with professional address at 23-29, Rives de Clausen, L-2165 Luxembourg, Grand Duchy of Luxembourg (Class A Manager)
- Benjamin Owen Orndorff, manager, with professional address at One Microsoft Way, Redmond WA 98052, USA (Class B Manager)
- Keith Ranger Dolliver, manager, with professional address at 5580, 179 th Avenue SE, Bellevue WA 98006, USA (Class B Manager)

- **Réviser d'entreprise agréé:**

- N/A

Microsoft MOPR Holdings Luxembourg S.à r.l.

Société à Responsabilité Limitée

Registered office: 23-29, Rives de Clausen, L-2165 Luxembourg

RCS Luxembourg : B 168.610

Share capital : USD 25,001.-

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- **Modification of the statutes:**

- Constituted before Me Edouard Delosch, notary residing in Diekirch, Grand Duchy of Luxembourg, on the twenty-sixth of the month of April 2012, published act at Memorial C n° 1477, as of June 13, 2012.
- Statutes have been modified for the last time on the fourteenth day of August, 2012 before Me Joseph Elvinger, notary residing in Luxembourg, Grand Duchy of Luxembourg, acting in replacement of Me Edouard Delosch, notary residing in Diekirch, Grand Duchy of Luxembourg, published act at Memorial C n°2365, as of September 22, 2012.